

**AGENDA for VHRI CONFERENCE CALL  
WEDNESDAY, APRIL 6, 2011 FROM 10:30 TO 11:30 A.M.**

Dear Members of the Advisory Council and the Task Forces,

We hope that you all are doing well. It has been awhile since we last saw most of you at the Virginia Health Reform Initiative Advisory Council meeting on December 13, 2010. Since that time, we have been busy with activities related to the 2011 General Assembly, as well as ongoing VHRI activities.

Secretary Bill Hazel would like to give you an update on VHRI activities and next steps for 2011, especially for the planning of the Health Benefit Exchange. Therefore, we have set up a conference call for **Wednesday, April 6, 2011 from 10:30 a.m. to 11:30 a.m.** The call information is as follows:

The public will also be able to call in on another number but will be put in a listen only mode.

**AGENDA:** The purpose of this conference call is to:

- Provide an update on 2011 VHRI related legislation and budget items
- Describe the process for the planning for the Health Benefit Exchange
- Provide an update on activities by Task Force
- Answer Questions from Council and Task Force Members

**NEXT ADVISORY COUNCIL MEETINGS.** Each meeting will provide an update on VHRI activities but the key focus is on planning for the Health Benefit Exchange. There will be opportunity for public comment throughout the process. Please **SAVE the DATE for these three meetings.**

- May 26, 2011, from 10:00 a.m. to 2:00 p.m., Richmond Virginia
- July 15, 2011, from 10:00 a.m. to 2:00 p.m., Richmond Virginia
- September 9, 2011, from 10:00 a.m. to 2:00 p.m., Richmond Virginia

## AGENDA/MINUTES

- **Welcome: Secretary of Health and Human Resources**

- From August to December, 2010, we held 21 public meetings of the Advisory Council and six Taskforces to develop the strategic plan for health care reform that goes beyond federal reform.
- Between the Council and Task Force Members, we were 70 people strong and represented all the major stakeholder groups--leaders in the legislature, the health care industry, employers, and consumers.
- Together, VHRI created a final report and 28 recommendations to change the way we deliver health care in Virginia.
- The Virginia's Health Reform Initiative and its process for involving stakeholders was highlighted in the recently released report of the State Coverage Initiative's State of the States: Laying the foundation for Health Reform (February 2011).
- Since December, the focus of our VHRI activities has been
  - Speaking at various venues to provide an update on our work together on health reform;
  - Directing and monitoring legislative and budget items related to the VHRI recommendations in the 2011 session of the General Assembly;
  - Working on the process for planning a Health Benefit Exchange;
  - Working with other states and the National Governor's Association on ways to reform the Medicaid program: both current and future; and
  - Continuing our work on various VHRI recommendations

- **2011 VHRI legislation and budget items**

- Two pieces of VHRI legislation, which came from the **Insurance Task Force**, have passed the 2011 General Assembly.
  - House Bill 2434 (Kilgore) stated the intent of the General Assembly to plan for a health benefits exchange. This bill directs the Secretary of Health and Human Resources and the State Corporation Commission's Bureau of Insurance, to work with the General Assembly, relevant experts, and general stakeholders to provide recommendations for consideration by the 2012 General Assembly regarding the structure and governance of the Health Benefit Exchange.
  - HB 1958 (Rust) addresses the insurance market provisions (such as extension of dependent coverage to age 26 and prohibition of a lifetime dollar limits on benefits) in PPACA that became effective on or before September 23, 2010 and are in conflict with existing state laws. Currently, the State Corporation Commission's Bureau of Insurance does not have the ability to enforce these changes. The legislation will only extend to fully insured policies of health insurance and will not extend to self insured plans.
- VHRI also had recommendations from the **Medicaid and Technology Tasks Forces** which were in the Governor's Introduced Budget and have passed the General Assembly.
  - **From the Medicaid Task Force**
    - ❖ VHRI recommended moving forward with the expansion of Medicaid funded care coordination models into regions, services, and populations not currently served in a "managed care" or care coordination model.
    - ❖ In addition, VHRI recommended that DMAS mandate electronic claims submissions and receive electronic funds transfers for Fee-For-Service providers.
  - **From the Technology Task Force**

- ❖ The Budget funded the Health Information Technology/Medicaid Information Technology Architecture (MITA) Program. This program will provide funding and implementation of the Virginia Gateway project, which is the automation of an eligibility system across health and human service agencies and provides the platform for future needs, including the Health Benefit Exchange. The federal match rate for funding these technology changes is 90 percent.

- **Describe the Process for planning the Health Benefit Exchange: Cindi Jones**

- October 1, 2011 is the deadline for coming up with recommendations for consideration of the Governor and the 2012 General Assembly regarding the structure and governance of the Health Benefit Exchange (this is also the end of our federal planning grant). Based on the legislation, the recommendations should address at a minimum:
  - Whether to create the Exchange within an existing governmental agency, as a new governmental agency, or as a not-for-profit private entity;
  - The make-up of the governing board for the Exchange;
  - An analysis of resource needs and sustainability of such resources for the Exchange;
  - A delineation of specific functions to be conducted by the Exchange; and
  - An analysis of the potential effects of the interactions between the Virginia Exchange and relevant insurance markets or health programs, including Medicaid
- Cindi Jones, Director of the Virginia Health Reform Initiative, is the lead for the planning of the Health Benefit Exchange. Dr. Len Nichols, from George Mason University, has agreed to continue to work with Virginia on Exchange planning activities, and DMAS staff will continue to play an integral role on the project team. Additionally, Jackie Cunningham, Commissioner, Bureau of Insurance and her team continue to offer guidance and support to the project.
- We plan to hold three meetings with the VHRI Advisory Council on key Exchange issues. The Task Force Members are welcome to attend as a member of the audience and provide comment on the discussions.

- These meetings will be one day meetings in Richmond on:
  - ❖ May 26,
  - ❖ July 15, and
  - ❖ September 9, 2011.

Please Note: The email said that these meetings will be from 10:00 a.m. to 2 p.m., but it is likely that we will need to extend those meetings to 3:30 in order to provide updates on other VHRI activities, have public comment, and to address the various issues for the Exchange at each meeting.

- We plan to receive additional stakeholder and consumer comment in two ways:
  - ❖ The first will be through **written** public comment on a series of white papers on Exchange issues. These white papers will be sent out to all Council and Task Force members and the public several weeks prior to each of the three meetings (they also will be posted on my website). Commenters will have two weeks to respond. These responses will be summarized and provided to the Advisory Council prior to the meeting. The white papers and the written comments will form the basis of the discussion at the three meetings.
  - ❖ The second method will be that we will have oral public comment at the Advisory Council meetings.
- Based on the discussions at the Advisory Council meetings, we will determine the options for the Exchange (as outlined in the legislation) and develop potential legislation and budget requirements for consideration of the Governor and the 2012 General Assembly by October 1, 2011.
- Provide an update on Activities by Task Forces.
  - **Service Delivery and Payment Reform**
    - Continue to work on the creation of a private, non-profit Innovation Center to promote and spread best practices in service delivery and payment reform
  - **Technology**
    - Continue Health Information Technology efforts, including sending a team to a National Governor's Association workshop on HIT and behavioral health

- Continue work on the electronic gateway to our health and human services, which lays the groundwork for the eligibility requirements of the Exchange.
- **Capacity**
  - At their next meeting in May, the Board of Health Professions will consider initiating a research project to identify barriers to safe healthcare access and effective team practice.
  - Other professional groups are meeting to discuss similar issues.
- **Medicaid**
  - Continue to expand Medicaid funded care coordination models as laid out in Budget language 297.1, MMMM
  - Continue to implement and plan for changes to the Medicaid program as the result of federal health care reform.
  - Work with other State Leaders and Congress on Potential Changes to the Current and Future Medicaid program
- **Insurance Reform**
  - Plan for Health Benefit Exchange
  - BOI develops regulations to implement the insurance market legislation.
- **Purchaser**
  - Conduct focus groups and a survey to gain employers' perspective on the Exchange and health care reform in general.
  - Virginia Health Care conference on June 9th, which is sponsored by the Virginia Chamber of Commerce.

- **Questions by Advisory Council Members**

- Will VHRI address and discuss the possible benefits to be included in the Virginia Health Benefit Exchange?
  - Yes, but not until a later date. Virginia, like other states are anticipating guidance from the Federal Government. It is rumored that this information will be made available to states sometime this summer.
- Regarding Governance, will VHRI be discussing the role of active purchasers as participants in the exchange process?
  - Yes, this will be included in a later conversation, particularly as we shape the framework of Virginia's exchange.